REMARKS

Applicant has carefully studied the outstanding Official Action. The present amendment is intended to be fully responsive to all points of rejection and is believed to place the application in condition for allowance. Favorable reconsideration and allowance of the present application are hereby respectfully requested.

Claims 26 - 29, 35, and 36 stand rejected under 35 USC 102(e) as being anticipated by US 20020161655 of Bredin (hereinafter Bredin).

Bredin describes a system for processing smartcard transactions.

Applicant has reviewed Bredin, and respectfully calls the Examiner's attention to the fact Bredin nowhere discloses communication and transferring authorization information between a first smart card and a second smart card via a remote administrator. As Applicant shall show below, there is only one instance in Bredin where such communication and transferring authorization information might even be hinted at, but, as will be discussed below, the communication and transferring authorization information in that case is very different than the communication and transferring authorization information as claimed in the present invention.

In rejecting claims 26 - 29, 35, and 36 the Examiner cites paragraphs 0022, 0023, 0025, 0030 and 0041 of Bredin.

Bredin, in paragraphs 0022 and 0023 describes various communication mechanisms:

> [0022] Alternatively, a server 106 may receive smartcard information through a network 105 and communicate with smartcard reader 101 through network 105. Server 106 may be connected to another processor and associated input and display devices for allowing a user to enter and receive information through server 106. Accordingly, a processor or other server need not be directly linked to a smartcard reader and correspondingly

> need not be located physically close to the smartcard reader or smartcard user.
>
> [0023] Processor 102 or server 106 operates under the control of a program for processing smartcard transactions. An exemplary embodiment of such a program is referred to as a "marketeer program." The term "marketeer" is intended as only a label to identify an exemplary program. It is not intended to limit such programs to marketing or marketing-related activities. The marketeer program may be stored in storage device 103 or server 106, which includes a computer-readable medium such as hard disk drive, or, alternatively, may be stored within the smartcard itself. In addition, a marketeer program may be embodied in a computer data signal in a carrier wave. The computer data signal represents sequences of instructions which, when executed by a processor, cause it to address a peripheral device at an absolute address by performing steps of the marketeer program.

In that Bredin does not disclose, in paragraphs 0022 and 0023 the existence of a second smart card, Applicant posits that Bredin does not disclose "transmitting authorization information from said first smart card to said second smart card via the remote administrator and the communication network" (Claim 26).

Likewise, Bredin paragraph 0025 does not disclose "transmitting authorization information from said first smart card to said second smart card via the remote administrator and the communication network" (Claim 26).

> [0025] FIG. 3 is a diagram of modules for a marketeer program 300. Marketeer program 300 includes service applications 301 which may include various programs for conducting smartcard transactions. They may include

personal programs, examples of which are provided below.

Similarly, a disclosure of "transmitting authorization information from said first smart card to said second smart card via the remote administrator and the communication network" (Claim 26) is also lacking in Bredin paragraphs 0030 and 0041:

> [0030] FIGS. 4A and 4B are a flow chart of various processes of marketeer program 300 consistent with the present invention. Marketeer program 300, through processor 102 or server 106, may take several actions, such as requesting a contract from another marketeer program, displaying a contract or catalog of contracts to the user, prompting a user to accept a contract and allowing the user to dismiss future prompts, activating a contract, creating a contract, issuing a contract, and deleting a contract from memory.
>
> [0041] A user may request to activate a personal program stored in marketeer program associated with their smartcard (step 412). In response, the system activates the selected personal program (step 426). These programs may include any number of user applications associated with money transfer, purchases, organizational tools, or even games. Examples include a card transaction log program, a movie or travel agent ticketing program capable of contacting vendors and obtaining an optimum price, a date/address book, an automatic teller machine (ATM) funds transfer application, or static data such as pictures or text. The use of personal programs makes use of the processing capabilities of a microprocessor within a smartcard. It permits a smartcard owner to use a smartcard to perform any number of functions in assisting their purchase of

> goods or services. For example, a smartcard may contain the program for searching a network to obtain the best price for a particular product or service, or obtain an optimum price within a certain geographic region.

Applicant does, however, respectfully call the Examiner's attention to Bredin, paragraph 0043 (emphasis added):

> [0043] In addition, a marketeer program may sell services or products to a client. It receives a request from a client for a particular product or service (step 414). The system verifies the client's identity (step 415). The system obtains payment from the client (step 416), which may involve adjusting the purses of the buying and selling smartcards in order to decrease the purse of the buying smartcard and increase by a corresponding amount the purse of the selling smartcard. If payment is successfully accomplished, the system provides access to the requested service or product (step 417).

Applicant points out that in paragraph 0043 of Bredin, the remote administrator of Claim 26 would be receiving payment from the first smart card, and in an essentially unrelated act, be delivering payment to the second smart card. There is no explicit direction, in Bredin, from the first smart card to the remote administrator to transfer anything to a specific second smart card. In Bredin, as highlighted above, the system manages the transaction between the purchaser and the seller.

The present invention, by contrast, recites in claim 26 that the "transmitting authorization information from said first smart card to said second smart card" i.e. the first smart card specifies the second smart card which is to receive the authorization information. In fact, the remote administrator, as recited in claim 26, is essentially serving as a 'router': "transmitting authorization information from said first smart card to said second smart card via the remote administrator and the communication network."

Additionally, in order to make the distinction between claim 26 and Bredin more explicit, claim 26 has been amended to recite a first user and a second user, as well as the step of: commanding, by the first user, transmission of authorization information from of the first smart card to the second smart card.

The amendment of claim 26 is supported by Figure 5 and the last full paragraph of page 21 of the application as filed.

Claim 26 is therefore deemed allowable.

Claims 27 - 29 depend from claim 26 and recite additional patentable subject matter.

Claims 27 - 29 are therefore deemed allowable in light of the discussion of the allowability of claim 26.

Claim 35 is a system claim corresponding to method claim 26.

Claim 36 is a system claim in means-plus-function format, corresponding to method claim 26.

Claims 35 and 36 are therefore deemed allowable in light of the discussion of the allowability of claim 26.

New claims 37 and 38 have been added. New claims 37 and 38 depend from claim 26 and recite additional patentable material.

New claims 37 and 38 are supported by the last full paragraph of page 21 of the application as filed.

New claims 37 and 38 are therefore deemed allowable in light of the discussion of the allowability of claim 26.

Applicant has carefully studied the other prior art of record including:

US 6495369 to Tsuria, which describes smart card chaining in pay television systems;

US 5748732 to Le Berre et al, which describes transferring an entitlement message from a master device to a slave device in a pay TV system;

US 5691525 to Aoki et al, which describes a data transfer system and data transfer terminal device;

US 6557032 to Jones et al, which describes a data processing system using an active token;

US 5461217 to Claus which describes a secure money transfer technique using smart cards;

US 619459 to Goman et al, which describes smart card personalization in a multi-station environment;

FR 2779599 of Basset which describes remote management of rights of access between multiple smart cards;

US 6367011 to Lee et al, which describes personalization of smart cards;

US 5922074 to Richard et al, which describes a method for providing secure distributed directory services and public key infrastructure;

US 5941959 to Fishler et al, which describes a system for transferring a data stream;

US 5949044 to Walker et al which describes a method for funds and credit line transfer; and

US 5778067 to Jones et al, which describes a value transfer system.

Applicant finds that the present invention as claimed is neither described nor suggested in the prior art of record, taken either individually or in combination.

In view of the foregoing remarks, it is respectfully submitted that the present application is now in condition for allowance. Favorable reconsideration and allowance of the present application are respectfully requested.

Respectfully submitted,

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